**CITY HALL COUNCIL CHAMBERS**
**SANTA MARIA, CALIFORNIA**
**REGULAR MEETING**

**SEPTEMBER 7, 2010**

**INVOCATION:**
Pastor Greg Burtnett of Grace Baptist Church gave the invocation.

**PLEDGE OF ALLEGIANCE TO THE FLAG:**
Councilmember Orach led the Pledge of Allegiance.

**CALL TO ORDER:**
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

**ROLL CALL:**
**MEMBERS PRESENT**
Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino.

**STAFF MEMBERS PRESENT**
City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Fire Chief Jones, Director of Public Works/City Engineer Whitehead, Director of Utilities Sweet, Police Chief Macagni, Director of Community Development Appel, Director of Recreation and Parks Posada, Acting City Librarian Corbett, Community Programs Manager Coelho-Hudson, Assistant City Attorney Sinco, and Chief Deputy City Clerk Perez.

**RESOLUTION FOR JERRY LUX**
Councilmember Cordero read Resolution No. 2010-99 honoring and commending Jerry Lux, Police Officer, for 37 years of outstanding service to the City and congratulating him on his retirement. He relayed several stories about Mr. Lux's career.

Resolution No. 2010-99 was adopted on motion by Councilmember Orach, seconded by Councilmember Cordero, and carried on the following vote:

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|---|---|
| AYES: | Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino |
| NOES: | None |
| ABSENT: | None |
| ABSTAIN: | None |

Resolution No. 2010-99 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, COMMENDING SANTA MARIA POLICE OFFICER JERRY LUX FOR HIS 37 YEARS OF OUTSTANDING SERVICE TO THE CITY OF SANTA MARIA AND CONGRATULATING HIM ON HIS RETIREMENT.

Officer Lux thanked the Council, Police Chief Macagni, City Manager Ness and his wife.

Police Chief Macagni thanked Officer Lux for his service and said he wished he had many more of his caliber.

**RESOLUTION FOR EDGAR CIFUENTES**
Councilmember Patino read Resolution No. 2010-100 honoring and commending Edgar Cifuentes, for eight years of outstanding service to the City as a member of the Block Grants Advisory Committee.

Resolution No. 2010-100 was adopted on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2010-100 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, RECOGNIZING AND COMMENDING EDGAR CIFUENTES FOR HIS SERVICE TO THE RESIDENTS OF SANTA MARIA AS A MEMBER OF THE BLOCK GRANTS ADVISORY COMMITTEE.

Mr. Cifuentes was not present to accept. Councilmember Patino thanked Mr. Cifuentes for his service.

**RESOLUTION FOR JOSE PONCE**
Mayor Lavagnino read Resolution No. 2010-101 honoring and commending Jose Ponce, for ten years of outstanding service to the City as a member of the Block Grants Advisory Committee.

Resolution No. 2010-101 was adopted on motion by Mayor Lavagnino, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2010-101 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, RECOGNIZING AND COMMENDING JOSE PONCE FOR HIS SERVICE TO THE RESIDENTS OF SANTA MARIA AS A MEMBER OF THE BLOCK GRANTS ADVISORY COMMITTEE.

Mr. Ponce was not present to accept.

**PROCLAMATION - LAS FIESTAS PATRIAS**
Councilmember Zacarías read a proclamation declaring September 19, 2010, as "Las Fiestas Patrias – A Community Celebration" in the City of Santa Maria. The proclamation was accepted by Sandy Soria and Sergio Zepeda of the Latino Business Community Council.

**PROCLAMATION – CONSTITUTION WEEK**
Councilmember Orach read a proclamation declaring the week of September 17 through 23, 2010, as "Constitution Week" in the City of Santa Maria, and asking residents to reaffirm the ideals the Framers of the Constitution had in 1787. The proclamation was accepted by Jean Mollenkopf of the Daughters of the American Revolution.

**PROCLAMATION – PEACE WEEK**
Councilmember Patino read a proclamation declaring the week of September 20 through 25, 2010, as "Peace Week" in the City of Santa Maria and encouraging all residents to participate in this year's activities. The proclamation was accepted by Jill Martin.

**PROCLAMATION – SUICIDE PREVENTION MONTH**
Councilmember Cordero read a proclamation declaring the month of September 2010 as "Suicide Prevention Month" in the City of Santa Maria. The proclamation was accepted by Jina Carvalho of Glendon Association.

**PROCLAMATION – RECOVERY MONTH**
Councilmember Zacarías read a proclamation declaring the month of September 2010 as "National Alcohol and Drug Addiction Recovery Month" in the City of Santa Maria and encouraging all residents to support men, women and youth who are in drug and alcohol addiction treatment and recovery along with their families. The proclamation was accepted by Sylvia Barnard of Good Samaritan Shelter and Jay Allen of Fighting Back Santa Maria Valley.

**PUBLIC COMMENT**
Kathy Staples, Santa Barbara Energy Coalition, spoke about the National Energy Day and 2011 Economic Business Outlook Conference at the Radisson Hotel on October 12, 2010. She urged businesses to participate in their conference this year.

Marvin Marlett spoke about what he sees as a growing problem in the community regarding the lack of proper maintenance, resources, and lack of pride in the community. He submitted pictures of broken sidewalks along Broadway and Main Streets.

Mike Geddry, Sr., spoke about the recent Thunder Over the Valley event at the Santa Maria Public Airport. He presented Police Chief Macagni with a certificate of appreciation for the Police Department's assistance with the event.

Ernest Armenta spoke about the Sheriff's proposed tax measure and the effect on sales tax for clothes and other purchases. He urged everyone to listen to the Sheriff's presentation and make up their own minds about Measure S-2010.

Glenda Stafford spoke about the circus that came to town without any permits from the City and asked how that could happen.

Jose Popoca, Master Security, spoke about Jose Vargas, a candidate running for City Council, and a situation that occurred between him and Mr. Vargas in 2007.

Joan Leon, Santa Maria Community Coalition, spoke about several items on the Consent Agenda regarding grant applications and congratulated City staff on the grants that the City has applied for and received. She also spoke about the County-wide Free Library System contract.

Tom Davidson spoke about the proposed sales tax increase for the new County jail and suggested ways to resolve the jail overcrowding problem.

Sharon Knotts spoke about comments made by Nancy Stewart at the last City Council meeting. She submitted a picture of Mrs. Stewart's house.

Isaac Berumen spoke about the Latino Community Business Council and the many positive things on the agenda tonight. He suggested the community work together to solve some of the problems instead of complaining.

**CONSENT CALENDAR**
Consent Calendar Items 3A through 3J were approved on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

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|---|---|
| AYES: | Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino |
| NOES: | None |
| ABSENT: | None |
| ABSTAIN: | None |

**A. ORDINANCES**
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

**B. MINUTES**
The Minutes of the Regular City Council Meeting of August 17, 2010, were approved as submitted.

**C. WARRANTS**
Warrant Nos. 160874 to 161348 totaling $4,126,797.92 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 160393, 160493, and 160754 were cancelled.

**D. PAYROLL**
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

**E. COUNTYWIDE FREE LIBRARY AGREEMENT**
Resolution No. 2010-102 was adopted approving an agreement with the County of Santa Barbara for operation of a Countywide Free Library System for fiscal year 2010-11.

Resolution No. 2010-102 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN AGREEMENT BETWEEN THE COUNTY OF SANTA BARBARA, THE CITY OF LOMPOC, AND THE CITY OF SANTA BARBARA TO PROVIDE FOR THE OPERATION OF A COUNTYWIDE FREE LIBRARY SYSTEM.

**F. OFFICE OF TRAFFIC SAFETY GRANT**
Resolution No. 2010-103 was adopted authorizing the appropriation of $245,000 to be allocated to the Santa Maria Police Department under the provisions of the Office of Traffic Safety (O.T.S.) Driving Under the Influence (D.U.I.) Enforcement and Awareness Program Grant AL 1130.

Resolution No. 2010-103 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROPRIATING FUNDING UNDER THE CALIFORNIA OFFICE OF TRAFFIC SAFETY GRANT PROGRAM #AL1130.

**G. SAFE ROUTES TO SCHOOL GRANT**
Resolution No. 2010-104 was adopted approving receipt of Safe Routes to School (SR2S) Grant funding, a grant from the State of California.

Resolution No. 2010-104 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE SAFE ROUTES TO SCHOOL GRANT FUND PROJECT.

**H. CALL FOR BIDS**
The City Council gave approval to call for bids on the plans and specifications for Bid No. 2010/14, Federal Stimulus Chip Seal and Streetlight Enhancement.

**I. NOTICE OF CONTRACT COMPLETION**
The City Council approved the Notice of Contract Completion for Federal Stimulus Concrete Improvement Project #3 – Taylor, Sunrise and San Ysidro, Bid No. 2010/09 and directed the Chief Deputy City Clerk to record the Notice.

**J. NOTICE OF CONTRACT COMPLETION**
The City Council approved the Notice of Contract Completion for Federal Stimulus Overlay Project #2, Bid No. 2010/07 and directed the Chief Deputy City Clerk to record the Notice.

**PRESENTATION BY SHERIFF BROWN REGARDING MEASURE S-2010.** The City Council heard a presentation from Sheriff Bill Brown asking the City Council to support and endorse Measure S-2010 on the November 2, 2010, ballot entitled "The County of Santa Barbara ½ Percent Transactions (Sales) and Use Tax Ordinance for Local Crime and Gang Reduction, Fire Protection and Jail Construction/Operation."

Sheriff Brown stated the main jail was built in 1971. In 1986, court orders placed a population cap on the main jail which forced the early release of inmates. Since 1999, 18,000 inmates received early releases. Of those 18,000, 1,000 reoffended, were rearrested and reincarcerated while they should have been in jail serving their original sentences. In order to limit the jail population, restricted booking criteria was adopted. Over 20 Grand Jury Reports have recommended building a new jail; however, the County of Santa Barbara has been unable to fund a new jail without a new revenue source. The Sheriff's Office has taken several steps to address the inadequate jail capacity including conducting 10 studies on jail overcrowding, completing 7 additions to

the main jail, converting the honor farm to a medium security facility in 2006, submitting a ballot tax measure to the voters in 2000, establishing a Blue Ribbon Commission on jail overcrowding, purchasing land for a new jail in 2008, and receiving an AB 900 State Grant in the amount of $56.3 million in 2008. In 2001, 57 percent of persons arrested were unsentenced in jail awaiting trial, while 43 percent were sentenced. In 2008, the number of persons unsentenced rose to 70 percent with only 30 percent sentenced. So far in 2010, 81 percent of persons have been unsentenced, with only 19 percent sentenced. Additionally, in 2001, 58 percent of those sentenced were felonies and 42 percent were misdemeanors. In 2010, 78 percent are felony convictions and only 22 percent are misdemeanors.

Measure S-2010 has the following key components: a citizen oversight committee would be established; it would fund the new jail construction and operation and repair the existing correctional facilities' infrastructure ($15 million); it would provide funding for repeat offender reduction efforts and alternatives to incarceration ($5 million); funding to strengthen front-line law enforcement in the County and cities ($5 million); funding for fire protection to the County, cities and fire districts on a per capita basis ($5 million); the funding cannot supplant existing public safety funding; it has a 14-year term from July 1, 2011, to June 30, 2025; and it coincides with the legislated sunset of the special State 1 percent sales tax. Santa Barbara County sales tax would drop from the current 8.75 percent to 8.25 percent. The City of Santa Maria would receive $1,072,796 for law enforcement and $804,597 for fire protection for a total of $1,877,394.

Sheriff Brown asked the Council for its support of Measure S-2010.

Joan Leon urged the Council to support the Measure. The Blue Ribbon Commission worked very hard on this and was a cross section of the community. It was a very intelligently written measure and was based on per capita. Santa Maria would receive the most for fire and police. There were so many good reasons to support it.

Rick Roney, Chair of the Blue Ribbon Commission, stated they worked for 14 months on this. In the ballot box, it came down to a quality of life issue. Everyone on the Commission came to the common conclusion that the County needed both a new jail and programs to reduce the number of beds that had to be built. He asked the Council to support Measure S and urged the voters to vote "yes" on Measure S in November.

Joanne Marmolejo, SBCAN, urged support of Measure S. She said they felt it was worth the ½ cent sales tax to protect Police Officers from transporting prisoners to Santa Barbara. Also, Santa Barbara County had a lot of tourists who spent a lot of money. Their sales tax would help pay for the jail.

Lisa Thornhill, Santa Maria Valley League of Women Voters, stated the League supported the Measure. They have done several studies in the past, and it was important to have a new jail and services for police and fire.

Sylvia Bernard, Good Samaritan Shelter, stated they also supported Measure S. She talked about their drug and alcohol programs and the loss of funding for their programs. Their shelter has been beyond capacity all summer long. The economy has created a situation with no jobs, lack of treatment facilities and lack of services. She urged the Council to support Measure S.

Ernest Armenta stated he didn't agree that the services were not available. Some people didn't want those services. The City provided funding for those services every year. He said Sheriff Brown knew this problem has existed for a long time. He would prefer the City have its own sales tax measure for police and fire. The County of Santa Barbara has not shown that they are worthy of a single penny of the Santa Maria taxpayers' money.

Councilmember Cordero thanked and congratulated Sheriff Brown on his presentation. The problem has been around for a long time. He asked if the funds for alternative programs to incarceration would be restricted to adults only or would also be available to the youth of the community. For the people that would be saved through these alternatives, the intent would be to put them to work and help them become tax-paying

citizens so they would be paying some of the bill as well. He would be whole-heartedly supporting it.

Sheriff Brown said the funds would not be restricted to adults.

Councilmember Zacarías asked about the two different committees and if there was any provision that the makeup of the committees be from each of the Supervisorial Districts, particularly the Oversight Committee.

Sheriff Brown explained that the makeup of the committees would be decided by the Board of Supervisors. It was envisioned that they would make appointments based on a number of criteria. Most importantly, that it would be a cross-section of the community who were subject-matter experts in the areas of prevention, recovery, and alternatives to incarceration.

Councilmember Zacarías stated the criteria she saw for the Oversight Committee was financial understanding and experience with larger budgets. It had to be about public transparency. She said she was less comfortable knowing that there was no assurance that it would be a cross section of the community.

Sheriff Brown explained that the first committee would be responsible for the examination of the financial aspects of Measure S. It would be a group of citizens appointed by the Board who had expertise in the financial area and would ensure that the County, the cities, and fire districts were using the money in the spirit and intent for which the voters approved. They would report back to the Board each year. The other group would be subject matter experts for the recidivism reduction programming. They would also be responsible for ensuring on an on-going basis that the programming was working and was effective. The reality was that 70 percent of the people who went to jail or prison, ultimately ended up reoffending and being reincarcerated within 3 years. They wanted to stop the revolving door.

Councilmember Orach asked about the grant from the State and if that money was assured.

Sheriff Brown responded that the amount would be reimbursed as they go through the construction process. It was funding through lease revenue bonds authorized by AB 900, which was the Governor's Prison Reform Measure. It was money that had already been approved in the Legislature and was available if they met certain criteria.

Councilmember Patino stated it was difficult when this included the building of the jail, the maintenance, and then the other half. If the City of Santa Maria wanted to do its own 1/4 cent Sales Tax Measure, it would give the City more money than Measure S would. Everyone knew that Public Safety was underfunded. Even with all the Grand Jury Reports, the County still had not made a commitment to fund a new jail.

Sheriff Brown stated it is a misnomer to say that the Board of Supervisors had not done anything and hadn't been a part of the process. He explained that since 1971, the County added onto the County jail seven different times. Those expansions required the hiring of many additional custody personnel. In 2008, the County purchased a piece of land for the new jail from the County's General Fund. An EIR was completed and planning processes had been done. Architectural plans had been completed.

Councilmember Patino stated when the City opened the doors to the new Library, it was paid for. The new Transit Center would be paid for. The Maldonado Youth Center was paid for. The County knew that a new jail was needed and should have been setting money aside. Now, when businesses were not doing well and people were out of jobs, the County was asking people to pay more taxes. The people would have to decide on this in the ballot box. She asked what the law enforcement money could be used for and who would control that.

Sheriff Brown explained that the funds would be for enhanced front-line public safety, predominately for salaries and benefits to hire additional personnel. It could be used for some associated equipment costs such as uniforms, safety equipment or patrol cars.

The City would have control of the money; however, it would have to be spent within the parameters of the Measure.

Councilmember Patino asked should Measure S not pass, would the North County Jail be closed and would the City be charged booking fees. She also asked about the rumors that the State might be dumping more prisoners into County jails.

Sheriff Brown stated he believed Measure S would pass. He said he did not want to close the jail; but the reality was that the Sheriff's budget had been cut and cut and cut. His budget suffered $5.6 million in cuts in the last 3 years. He lost 42 positions. The current arrangement regarding booking fees was that the State provided funding in lieu of booking fees. The County did not charge booking fees currently. He hoped that the booking fee solution that currently existed would continue. He had been talking to the State Legislators to oppose any realignment that would push State prisoner responsibility down to the local level without an adequate level of funding to address it. The County did not have the room for the prisoners in their facilities now.

Mayor Lavagnino stated it was the responsibility of the County to incarcerate prisoners. When you got down to the real nitty gritty, the question was did the County need a new jail or not. Based on the facts, the County needed to build a new jail. He said he didn't want to pay more taxes, but sometimes you had to bite the bullet. He congratulated Sheriff Brown on Measure S-2010.

Councilmember Patino asked where the money to fund the campaign was coming from.

Sheriff Brown explained the money was coming from donations from private individuals, organizations, and groups.

Resolution No. 2010-105 supporting Measure S-2010 was adopted on motion by Councilmember Zacarías, seconded by Councilmember Cordero, and carried on the following vote:

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| AYES: | Councilmembers Cordero, Orach, Zacarías, and Mayor Lavagnino |
| NOES: | Councilmember Patino |
| ABSENT: | None |
| ABSTAIN: | None |

Resolution No. 2010-105 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, IN SUPPORT OF MEASURE S-2010, IMPOSING A COUNTY OF SANTA BARBARA ½ PERCENT SALES AND USE TAX FOR LOCAL CRIME AND GANG REDUCTION, FIRE PROTECTION, AND JAIL CONSTRUCTION AND OPERATION.

**Mayor Lavagnino moved Item 9 forward on the agenda for discussion at this time.**

**RECOMMENDATIONS FROM THE BLOCK GRANTS ADVISORY COMMITTEE**

Community Programs Manager Coelho-Hudson gave the staff report. The Block Grants Advisory Committee is recommending the City Council allocate $10,628 in additional 2009-10 Community Development Block Grant (CDBG) Program Income to 2010-11 CDBG Public Service Activities and reallocate $9,090 in 2010-11 CDBG Capital Project funding. There are specific regulations pertaining to the administration of CDBG program funds, which directly limit the amount of funding used toward public service programs and activities. The funding threshold to be applied to public service programs in any one fiscal year is 15 percent of the City's total annual entitlement grant. However, in addition to this amount, the City is eligible to allocate up to 15 percent of its total program income received during the prior year to fund public service programs in the next year. In order to meet submittal deadlines required by the U. S. Department of Housing and Urban Development (HUD), the annual allocations process is typically completed prior to the end of the fiscal year. So the total amount of program income that would be available for allocation in the next fiscal year is not known when the City Council considers the final allocations. During the 2009-10 fiscal year, $105,167 was received in CDBG program income. Of this amount, $15,775 or 15 percent could be allocated to 2010-11 public service programs. However, only $5,147 was allocated by the City Council in April based on the amount of program income received at that time.

This leaves a balance of $10,628 that could still be allocated to 2010-11 public service programs. On July 12, 2010, the Block Grants Advisory Committee revisited and discussed the 2010-11 applications and their priority funding. The Committee recommends the following revised allocations: allocation of new funding in the amount of $7,300 to Community Action Partnership of SLO County, Inc., for the Santa Maria Tattoo Removal Program; increase in funding of $1,664 to the Alzheimer's Association for a total revised grant amount of $10,036; and increase in funding of $1,664 to Community Partners in Caring for a total revised grant amount of $10,501.

The second issue before the Council involves the reallocation of 2010-11 CDBG capital project funding for the SMILE/OPTIONS project that consists of the renovation of their group homes. This project received an allocation of $13,000 in 2010-11 capital funding. However, because SMILE/OPTIONS had a balance of funding from a previous project in a previous fiscal year, the full amount of their 2010-11 allocation is no longer needed. Therefore, the Block Grants Advisory Committee is recommending a decrease in funding of $9,090 to SMILE/OPTIONS for a total revised amount of $3,910; and an increase in funding of $9,090 to the City of Santa Maria/Accessibility Improvements Project for a total revised amount of $176,807.

Councilmember Zacarías thanked the Committee for remembering the conversations the Council had back in April regarding the tattoo removal program.

Ernest Armenta stated he opposed giving money to the tattoo removal program in San Luis Obispo. He felt all the agencies that did not receive funding in April should be able to give a presentation and request the additional funding.

Resolution No. 2010-106 approving the Block Grants Advisory Committee's recommendations was adopted on motion by Councilmember Zacarías, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2010-106 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE BLOCK GRANTS ADVISORY COMMITTEE'S RECOMMENDATION FOR THE ALLOCATION OF $10,628 IN ADDITIONAL 2009-10 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM INCOME TO 2010-11 CDBG PUBLIC SERVICE ACTIVITIES AND THE REALLOCATION OF $9,090 IN 2010-11 CDBG CAPITAL PROJECT FUNDING.

**ALCOHOLIC BEVERAGE CONTROL LICENSE FOR WALGREENS.**
Director of Community Development Appel gave the staff report. The City Council will consider a recommendation to decline to make a finding of public convenience and necessity in the matter of the issuance of a Type 20 (Off-Sale Beer and Wine) Alcoholic Beverage Control License for Walgreens at 2399 S. Broadway. This property is located at the northwest corner of Broadway and McCoy Lane. The property is located in Crime Reporting District 81, which is not an area of undue concentration of crime. However, the Police Department states that the department has received an increased number of calls for service in the area of the intersection of South Broadway and McCoy Lane regarding intoxicated subjects, loitering, panhandling, and fighting. This property is located in Census Tract 20.11. The Alcoholic Beverage Control Board reports that the number of off-sale licenses authorized in that Census Tract is 5 and that there are already 14 existing licenses. Therefore, this Census Tract is an area of undue concentration of licenses. This Census Tract is very large, extending from Betteravia Road on the north, Foster Road on the south, Broadway on the east, and Black Road on the west. Although there is only one off-sale license that is in close proximity to Walgreens (Rite-Aid), there are four additional off-sale licenses in adjoining Census Tracts that are in close proximity (Albertsons, FoodMaxx, CVS Pharmacy, and Target). Additionally, 13 licenses within this Census Tract are held by wine wholesalers, and 11 exist at one location – Central Coast Wine Services at 2717 Aviation Way. Should the Council choose to make a finding of public convenience, staff will provide findings for

approval. If approved, staff recommends that the Alcoholic Beverage Control Board impose those conditions requested by the Police Department.

Mayor Lavagnino stated two things concerned him. According to the Census Tract Map, the Census Tract went all the way out to Tanglewood and almost to Foxenwoods. The area was so large, it was unfair. A wine warehouse was not causing any problems. The calls for service were due to the recycling center right in that area and the transients that loitered there. This was an unfair situation, and he would support approval of the license for this Walgreens.

Councilmember Cordero stated he would also support approval. The space for alcoholic beverages was less than two percent of the floor space. People were not going to go there just to buy alcohol.

Councilmember Orach agreed with Mayor Lavagnino. Corporations like Walgreens have adequate training to keep underage drinking under control.

Katie Bond, manager of Walgreens at 2399 S. Broadway, stated Walgreens customers regularly ask why they don't sell alcohol. There were only two retailers in the Census Tract that actually sold beer and wine, one was the Rite Aide across the street and the other was in Tanglewood. She explained the steps Walgreens would take to ensure that the sale of beer and wine would have little or no consequences on the surrounding area. She assured the Council that not only would the company endeavor to provide a convenience to the public, but the convenience would be provided in a safe and conscientious manner.

Patricia Solorio, Future Leaders of America, talked about Future Search and some of the programs they are working on. One of the work groups, called Educational Awareness Development, developed a project called The Youth and Family Project. One of the issues identified was that there was too much alcohol access to youth in the community. She did not think there was a need for another business to sell alcohol in this area.

Councilmember Zacarias stated the Council looked to the Police Department to set the standards for the City. She would be supporting staff's recommendation for denial. The #1 outlet for beer sales in Santa Maria was the CVS Pharmacy on N. Broadway. That was not okay with her. Walgreens was her corner store, and she would not think to go there for beer and wine. For her there was no finding for public convenience or necessity for this license. Walgreens would be supporting a healthy community by continuing to provide the same good service without selling alcoholic beverages.

On motion by Councilmember Orach, seconded by Councilmember Cordero, and carried on the following vote, the Council found that the applicant had demonstrated public convenience or necessity based on application materials provided in Attachment 4 of the agenda report and findings provided by staff dated September 7, 2010, and directed staff to contact ABC to recommend that Police Department's conditions be included with the license:

AYES: Councilmembers Cordero, Orach, Patino, and Mayor Lavagnino
NOES: Councilmember Zacarias
ABSENT: None
ABSTAIN: None

**ALCOHOLIC BEVERAGE CONTROL LICENSE FOR WALGREENS.**
Director of Community Development Appel gave the staff report. The City Council will consider a recommendation to decline to make a finding of public convenience and necessity in the matter of the issuance of a Type 20 (Off-Sale Beer and Wine) Alcoholic Beverage Control License for Walgreens at 707 N. Broadway. This property is located at the southwest corner of Broadway and Alvin Street. The property is located in Crime Reporting District 26. According to the Police Department, the area ranks 5th in the top 10 Reporting Districts with the highest concentration of calls for service. The property is located in Census Tract 23.04. The Alcoholic Beverage Control Board reports that the number of off-sale licenses authorized in the Census Tract is 6, and there are currently 6 licenses held. Approval of this license would exceed the number allowed and place

the Census Tract in an area of undue concentration of licenses. Licenses within the Census Tract are currently held by Carniceria El Toro 2, El Ranchero Liquor, A J Grocery Express, Paul Lato Wines, Red Eye Liquor & Deli, and El Milagro Market. Should the Council choose to make a finding of public convenience, staff will provide findings for approval. If approved, staff recommends that the Alcoholic Beverage Control Board impose those conditions requested by the Police Department.

Dawn Baker, manager of Walgreens at 707 N. Broadway, stated according to the Alcoholic Beverage Control Board six licenses were allowed in the Census Tract in which the store was located, and six licenses currently existed. One of the licenses was for a wine wholesaler with sales limited to Internet only. There were only five true retail establishments that sold alcohol in the Census Tract, none of which were pharmacies. Consumers have come to expect that stores like Walgreens would sell beer and wine. She explained the steps Walgreens would take to ensure that the sale of beer and wine would have little or no consequences on the surrounding area. She assured the Council that not only would the company endeavor to provide a convenience to the public, but the convenience would be provided in a safe and conscientious manner.

Patricia Solorio stated there was a high concentration of alcohol outlets in the area of the N. Broadway Walgreens. She expressed concern about all the alcohol signs in business windows on N. Broadway.

Councilmember Zacarías moved to decline to make a finding of public convenience and necessity for Walgreens at 707 N. Broadway. Councilmember Patino seconded the motion. The motion failed on the following vote:

AYES: Councilmembers Patino and Zacarías
NOES: Councilmember Cordero, Orach, and Mayor Lavagnino
ABSENT: None
ABSTAIN: None

On motion by Councilmember Cordero, seconded by Councilmember Orach, and carried on the following vote, the Council found that the applicant had demonstrated public convenience or necessity based on application materials provided in Attachment 4 of the agenda report and findings provided by staff dated September 7, 2010, and directed staff to contact ABC to recommend that Police Department conditions be included with the license:

AYES: Councilmembers Cordero, Orach, Patino, and Mayor Lavagnino
NOES: Councilmember Zacarías
ABSENT: None
ABSTAIN: None

**ALCOHOLIC BEVERAGE CONTROL LICENSE FOR IN IN OUT MARKET.**
Director of Community Development Appel gave the staff report. The City Council will consider a recommendation to decline to make a finding of public convenience and necessity in the matter of the issuance of a Type 20 (Off-Sale Beer and Wine) Alcoholic Beverage Control License for In In Out Market at 560 E. Betteravia, Suite E. This property is located within the College Square Shopping Center at the southwest corner of Betteravia Road and College Drive. This property is located in Crime Reporting District 82. The Police Department reports that although the crime values in this district are above average, the number of incidents does not exceed the threshold for over concentration of crime. The business is located in Census Tract 20.07. According to the Alcoholic Beverage Control Board, the number of off-sale licenses authorized in that Census Tract is 6 and there were already 6 existing licenses. Therefore, approval of this license would place the Census Tract in an area of undue concentration of licenses. Should the Council choose to make a finding of public convenience, staff will provide findings for approval. If approved, staff recommends that the Alcoholic Beverage Control Board impose those conditions requested by the Police Department.

Rami Zakour stated according to the list of existing licenses in the agenda report, there were six licenses in the Census Tract. Crossroads Mini Mart had been gone for two years, and there was not a license at that location.

Director Appel stated that Crossroads Mini Mart was not one of the six listed.

Mayor Lavagnino asked if there was a better way than Census Tracts to make these decisions. Three of the licenses were far away from this property. If someone wanted to buy alcohol, they were going to find it somewhere.

Councilmember Orach stated the floor area for the sale of alcoholic beverages was considerably larger with this application than the two Walgreens. It looked like 30 percent of the floor space was for alcohol.

Councilmember Zacarías asked if the store was going to stay open to 11:00 p.m. during the week and midnight on weekends. Most of the businesses did not stay open that late. It would be the only business in the shopping center that stayed open late at night. This was basically a beer and wine store. She said she understood that people would find alcohol if they wanted it; but creating a community where everywhere you turned was advertising for alcohol and alcohol consumption was extremely distasteful.

Councilmember Cordero stated this store was significantly different than the two Walgreens. This store proposed that beer and wine would be the chief items for sale. It would not be a convenience store. He would be supporting staff's recommendation for denial.

Councilmember Patino stated underage drinking was a problem; however, the main place young people were getting alcohol was at home. This was a legal business, and she would support the license.

On motion by Councilmember Zacarías, seconded by Councilmember Cordero, and carried on the following vote, Council declined to make a finding of public convenience or necessity in the matter of issuance of a Type 20 Alcoholic Beverage Control License.

AYES: Councilmembers Cordero, Orach, Zacarías, and Mayor Lavagnino
NOES: Councilmember Patino
ABSENT: None
ABSTAIN: None

**GOOD NEIGHBOR ORDINANCE**

Assistant City Attorney Sinco gave the staff report. This is the second reading of Ordinance No. 2010-06, the "Good Neighbor" Ordinance. This ordinance was presented to the City Council for first reading at the August 3, 2010, meeting. As proposed, the ordinance would consolidate City regulation of one-time and ongoing events, define "Good Neighbor" rules for conduct of events, provide the City with strong and effective tools to deal with problem events, and provide user-friendly processing when an event must be licensed in advance. At the August 3rd meeting, Councilmembers asked staff to create a matrix to explain how the ordinance would work. Councilmembers also expressed concern about the consequences of user-friendly license processing. Page 1 of the matrix shows the major requirements of the ordinance and the key features of an event that determine whether or not each of these requirements applies to the event. Page 2 of the matrix shows how the ordinance would apply in each of the situations raised at the August 3rd City Council meeting. Staff recommends the City Council adopt the ordinance as proposed.

Mayor Lavagnino asked if this ordinance would have helped solve some of the problems with the circus.

Assistant City Attorney Sinco explained that many of the problems with the circus could have been avoided. Under the ordinance, staff would have only had six days to complete its review of the application. Staff had longer than six days, and it wasn't enough for this event. However, the ordinance was written in such a way that whether staff approved the application or not, the Good Neighbor requirements had to be met. The circus would have been in violation of those requirements, and staff could have taken steps to suspend the operation.

Councilmember Zacarías thanked Assistant City Attorney Sinco for the report. She stated her objections to the ordinance regarding Council not having the ability to deny Entertainment Licenses would stand, and she would not be supporting the ordinance. The second issue that was not addressed was that there was no limit to the number of Entertainment Licenses that could be issued. The Council would no longer have any control over these issues.

Councilmember Cordero referenced the letter from Mr. Venable in opposition to the ordinance.

Assistant City Attorney Sinco indicated that he did respond to Mr. Venable.

Councilmember Patino stated one of her concerns was that the person would not have the ability to appeal to the City Council. She did not like that Entertainment Licenses could not be limited.

Second reading of Ordinance No. 2010-06 was conducted and Ordinance No. 2010-06 approving "Good Neighbor" Rules was adopted on motion by Councilmember Cordero, seconded by Councilmember Orach, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, and Mayor Lavagnino
NOES: Councilmember Zacarías
ABSENT: None
ABSTAIN: None

Ordinance No. 2010-06 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING VARIOUS SECTIONS OF THE MUNICIPAL CODE TO CEASE REGULATION OF CERTAIN EVENTS AND ACTIVITIES AND TO IMPOSE GOOD NEIGHBOR RULES.

**FINANCIAL REPORT FOR FOURTH QUARTER ENDING JUNE 30, 2009, AND A BUDGET AMENDMENT REPORT.**

Director of Administrative Services Visé gave the staff report. With 100 percent of the year complete, revenues are at 97.9 percent of projections while expenditures are at 94.6 percent of appropriations. Total revenue and transfers are $52.6 million which is $5.8 million less than last year. The sluggish economy has taken a toll on the City's revenues. Nearly every key revenue source is down compared to last year. To counter the shortfall, departments reduced operating budgets by five percent, concessions were negotiated with employee bargaining groups, and the City Council approved the use of Local Economic Augmentation Funds (LEAF) to balance the budget. City departments used $3 million less than appropriated. This is a direct result of departments controlling costs. The total General Fund expenditures, including debt service and transfers out, were $52.8 million. In the Water/Wastewater Fund, expenditures exceeded revenues by $14.3 million, primarily because of large capital project expenses and payments for State Water. Approximately $17.4 million was expended for the Wastewater Expansion Project. The majority of the costs, $10.1 million, was paid from the Wastewater Fund and the remainder from the Growth Mitigation Fund. In addition, over $712,000 was spent on needed water main replacements. State Water expenses of $16.7 million were prepaid for water deliveries in future periods. It should be noted that Water Fund operating cash at June 30 was negative by $2.9 million. The negative Water Fund cash was primarily due to declining revenue. Total water consumption was 8.5 percent less than the prior year. In the Solid Waste Fund, refuse expenses exceeded revenues by $1.9 million with $5.4 million of capital expenditures being the primary reason for the annual loss. A budget amendment report is included for Council's consideration.

Councilmember Orach thanked Mr. Visé for a great report. He thanked all the employees of the City for sacrificing to help make ends meet for the City. He thanked City Manager Ness for initiating the reserve fund many years ago.

Ernest Armenta thanked the employees. He asked what department the City Clerk and City Treasurer were under.

Mr. Visé explained that the elected City Clerk was under the City Manager's department and the elected City Treasurer was under the Administrative Services Department. The City Treasurer was also the Treasury Manager and worked for his department.

Mr. Armenta asked if the City Clerk and City Treasurer received a salary as an elected official and a salary as a City employee.

City Manager Ness explained that the elected City Clerk and City Treasurer received a stipend of $75 per month. He said for at least the last 20 years, the elected City Treasurer has been a City employee fulfilling two capacities. The City Clerk, for at least the last 40 years, had been a City employee. That did not mean that the elected City Clerk and elected City Treasurer could not be someone who was not a City employee.

Ernest Armenta asked if Chief Jones and Chief Macagni could run for office and still keep their City positions at the same time.

City Attorney Trujillo explained there was a State statute that prohibits incompatibility of office. Certain employees would not qualify to run for City Council because of the conflict of interest in that position since they would be voting on their own raises in that situation.

Councilmember Zacarías stated it had been determined that that same conflict was not present for the elected City Clerk and City Treasurer.

Resolution No. 2010-107 approving an amendment to the 2009-10 budget was adopted on motion by Councilmember Zacarías, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Cordero, Orach, Patino, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2010-107 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN AMENDMENT TO THE 2009-10 BUDGET AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

**CITY MANAGER'S REPORT**

City Manager Ness reported on items anticipated for the September 21, 2010, City Council meeting including public hearings for a General Plan Amendment, Zone Change, and Specific Plan Amendment for Siena Apartments and a General Plan Amendment, Zone Change, Specific Plan Amendment, and Tentative Tract Map for Heritage at Westgate Ranch.

**ORAL REPORTS BY COUNCILMEMBERS**

Councilmember Cordero reported he attended the Joe White Dinner and Auction, the Elks Dinner, flew in an AT-6 at the Airport, attended a Teen Court meeting, was a barbecue judge for the Museum of Flight, attended Jack Buchanan's reretirement party, the Elks Dinner for Law Enforcement Appreciation Night, the Boys and Girls Club Back to School Night, a Future Search meeting, and a United Way Admin Group meeting.

Councilmember Patino reported she attended the Water Resources meeting at Shepard Hall, the reception for Thunder Over the Valley, Jack Buchanan's second retirement party, the Law Enforcement Appreciation Night, and a Fighting Back Santa Maria Valley Board meeting.

Mayor Lavagnino reported he attended the Ground Breaking Ceremony for the Child Day Care Center at Vandenberg Air Force Base, a SBCAG meeting, the CCWA meeting, the Pal Boxing Tournament at Minami Center, Jack Buchanan's re-retirement party, the Law Enforcement Appreciation Dinner, the Mayor's Lunch, and Sheriff Brown's Measure S presentation at the Santa Barbara County Court House.

Councilmember Zacarías reported she attended the Project Change 4-year anniversary celebration, Future Search meetings, PCPA's latest production, the Labor Day Picnic

hosted by the Teamsters at Union Plaza, and the Santa Maria Philharmonic's 10-year anniversary.

Councilmember Orach reported he and his wife celebrated their 44th Wedding Anniversary, he attended the Thunder Over the Valley, and Jack Buchanan's re-retirement party.

**CLOSED SESSION**
Mayor Lavagnino announced that there would be no Closed Session.

**ADJOURNMENT**
There being no further business to come before the City Council at this time, the meeting was declared adjourned at 10:05 p.m. by Mayor Lavagnino.

APPROVED

September 21, 2010
Date

Chief Deputy City Clerk and ex officio Clerk of the City Council

ATTEST

Chief Deputy City Clerk

Mayor of the City of Santa Maria